

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
August 1, 2011
Permit 141234

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address QUANTUM RESOURCES MANAGEMENT, LLC 1401 McKinney St Houston, TX 77010		2. OGRID Number 243874
		3. API Number 30-025-40399
4. Property Code 307932	5. Property Name ENCORE M STATE	6. Well No. 007

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	19	22S	37E	B	1005	N	2159	E	LEA

8. Pool Information

BLINEBRY OIL AND GAS (OIL)	6660
DRINKARD	19190
WANTZ;ABO	62700

Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3417
14. Multiple Y	15. Proposed Depth 7000	16. Formation Abo	17. Contractor	18. Spud Date 1/15/2012
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	1175	1065	0
Int1	11	8.625	32	4000	1105	0
Prod	7.875	5.5	17	7000	480	3800

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	1500	
DoubleRam	3000	2500	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐ , a general permit ☐ , or an (attached) alternative OCD-approved plan ☐ .	OIL CONSERVATION DIVISION	
Printed Name: Electronically filed by Scott Crump	Approved By: Paul Kautz	
Title: Manager E&P Services	Title: Geologist	
Email Address: scrump@qracq.com	Approved Date: 1/12/2012	Expiration Date: 1/12/2014
Date: 12/12/2011	Phone: 713-452-2966	Conditions of Approval Attached

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 6660	³ Pool Name Blinebry Oil & Gas (Oil)
⁴ Property Code 307932	⁵ Property Name Encore M State		⁶ Well Number 007
⁷ GRID No. 243874	⁸ Operator Name Quantum Resources Management, LLC		⁹ Elevation 3417'

¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	19	22 S	37 E		1005	North	2159	East	Lea

¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNITL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

Elev. 3417' NAD 83 NM East N= 504495 E= 891014 NAD 83 Lat. = 32° 22' 54.61" Long.= 103° 12' 02.21"	¹⁶		¹⁷OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> <i>Yolanda Perez</i> Signature Yolanda Perez Printed Name Regulatory Supervisor yperez@gracq.com Title and E-mail Address 12/09/11 Date
			¹⁸SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> 08-16-2011 Date of Survey Signature and Seal of Professional Surveyor <i>Michael L. Stanford</i> 10324 Certificate Number

6.5 Miles SW of Eunice, New Mexico.

File No. A-6050

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 19190		³ Pool Name Drinkard	
⁴ Property Code 307932		⁵ Property Name Encore M State			⁶ Well Number 007
⁷ OGRID No. 243874		⁸ Operator Name Quantum Resources Management, LLC			⁹ Elevation 3417'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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	¹⁶		¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> Signature Yolanda Perez Printed Name Regulatory Supervisor yperez@qracq.com Title and E-mail Address 12/09/11 Date
			¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> 08-16-2011 Date of Survey Signature and Seal of Professional Surveyor
			10324 Certificate Number

6.5 Miles SW of Eunice, New Mexico.

File No. A-8050

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 62700	³ Pool Name Wantz; Abo
⁴ Property Code 307932	⁵ Property Name Encore M State		⁶ Well Number 007
⁷ GRID No. 243874	⁸ Operator Name Quantum Resources Management, LLC		⁹ Elevation 3417'

¹⁰Surface Location

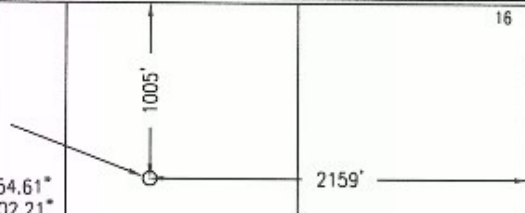
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6.5 Miles SW of Eunice, New Mexico.

File No. A-8050

Permit Comments

Operator: QUANTUM RESOURCES MANAGEMENT, LLC , 243874

Well: ENCORE M STATE #007

API: 30-025-40399

Created By	Comment	Comment Date
pkautz	Land s/S	12/13/2011
CHERRERA	OCD HOBBS OFFICE HAS RECIEVED FORM C144 CLEZ. OCD PERMIT # P1-04072	1/12/2012

Permit Conditions of Approval

Operator: QUANTUM RESOURCES MANAGEMENT, LLC , 243874

Well: ENCORE M STATE #007

API: 30-025-40399

OCD Reviewer	Condition
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
pkautz	Will require administrative order for non-standard location
CHERRERA	FOR MULTIPLE COMPLETIONS WILL REQUIRE DHC APPROVAL SUBMITTED ON C-103 IN ACCORDANCE WITH RULE 19.15.12.11